Guatemala

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November 12, 1953

OFFICIAL - INFORMAL
SECRET SECURITY INFORMATION

Dear Jack:

Your letter of November 5 gave most interesting sidelights on your official call on President Arbenz, particularly through the attitude indicated in the subsequent conversation with Major García Galvez. The straight answers you have been giving the Government officials cannot fail, in my opinion, to bring home to them very forcibly the seriousness with which the United States Government views the Communist trend in their country.

Some corroboration of their preoccupation over our attitude has recently been noted from two reports. The first was from Costa Rica, outlined by Figueres in Embassy despatch no. 346, the copy of which you have undoubtedly seen; but here of course we are never sure whether or not Figueres is stretching the facts in order to promote his own purposes as a mediator. The second was in a conversation between Phil Raine of ARA/P and Mike Lever, Public Relations Officer of the Pan American Union, in which Lever said that he is sure the Guatemalans want to come to a settlement with the United States, and suggested that we work on the new Military Attaché, Colonel Peralta, who he believes was given personal instructions by Arbenz to study United States relationships and report back to him, Arbenz, in two months.

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Colonel Peralta has been on this assignment for approximately two months now, and John Fisher and I had occasion for a rather long talk with him on September 15, at Ambassador Toriello's "private" celebration

of

The Honorable
John E. Peurifoy,
American Ambassador,
Guatemala.

SECRET SECURITY INFORMATION

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of Guatemalan Independence Day. His record, particularly in his last post at San Salvador, has been one of strongly anti-Communist feelings; but we have never had any positive information that he plans to do anything about the Communist problem himself, or that he has intelligence, imagination and force to influence the present course of events, working either with or against Arbenz. Until we see some more of him, I see little reason to hope that his mission here has for its purpose the evaluation of the United States position on Guatemala, with any prospect of an accurate evaluation having some effect on Arbenz' thinking. We will however endeavor to get as close to him as possible.

Bob Woodward addressed the Harvard Club of Washington at its weekly meeting last Saturday on the subject of Communism in Guatemala. He reviewed the present situation very thoroughly and the audience reception was quite favorable. Some questions about the Agrarian Law, United Fruit Company, and Point IV were raised after the talk and I was delegated to answer them. One of the guests present was Mr. George Morris, a Washington attorney who is a past President of the American Bar Association, and locally, I believe, represents the American Security and Trust Company. He spoke with us after the meeting, saying he knows Willy Toriello very well and that he is convinced the seeds of doubt can be successfully planted in Toriello's mind by constant reiteration (using solely the question technique) of the unlikelihood of any future American capital entering Guatemala in view of the doubtful fate of present investments. I note that you brought up this point with Major García Galvez in connection with the President's hope to have you and Mrs. Peurifoy for dinner; and it may be possible to convince the Guatemalans of the importance of United States friendship as essential to the economic development of the country.

Sincerely yours,

Raymond G. Leddy

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